

RYBAT

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AIR  
(SPECIFY AIR OR SEA POUCH)  
CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

DISPATCH NO. HGG-A-724

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CLASSIFICATION

2003

TO : Lincoln  
FROM : Chief of Station, Guatemala

DATE: \_\_\_\_\_

INFO: Chief, WHD

SUBJECT: GENERAL— PBSUCCESS

SPECIFIC— Reporting of Current Developments to Lincoln -  
Running Memorandum

Reference: HGG-A-725

1. Attached for Lincoln and Headquarters is the third in the series of running memoranda being prepared and forwarded by this station. It is composed of information submitted by various members of the Guatemalan station and each report bears the initials (in pseudonym) of the contributor and his evaluation of the material at the time it was dictated.
2. The identity of sources indicated in the memorandum follows by separate dispatch.

[ Clara M. Heagey ]

Enclosure:  
Running memo

9 February 1954

CMH

Distribution:

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FEB 12 Rec'd

2 February 1954

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1. Identity 1 stated within the immediate past that the Communist leaders here are extremely desirous of placing the U.S. Ambassador in some embarrassing situation which will give them an excuse to accuse him of intervention. On 2 February, Identity 2 stated the local Communist leaders are eagerly searching for some method of embarrassing the U.S. Ambassador "in order that he can be given the same treatment Patterson received."  
(Evaluation: F-3)

C.E.B.

2. On 29 January 1954 the government issued a so-called "white paper" in which it was alleged that an international conspiracy existed for the purpose of overthrowing the government of President ARBENZ.

In conversations with students, newspapermen, and young professional people, Identity 3 noted and reported the following reactions to the white paper:

- fab!*
- a. The charges are believed to be fantastic fabrications. Even persons friendly to the government could not believe that the U.S., with a notable record for effective organization and security of operations in world wide warfare, would permit itself to be so easily implicated in a conspiracy against a small nation like Guatemala.
  - b. Even if the charges are true, many persons reportedly feel that the government has been hurt rather than helped by the revelations because opposition elements within the country now feel they are not alone, that there is definite aid and support being organized abroad to help them in their struggles.
  - c. All of the informants with whom Identity 3 discussed this subject expressed the belief that the documents released by the government to support its charges were faked or forged.
  - d. Some sources expressed indignation and a willingness to assist in the defense of the present regime if such countries as Venezuela, Nicaragua and the Dominican Republic were involved in the conspiracy to overthrow the Arbenz government.
  - e. Almost without exception the reaction to the white paper was unfavorable to the government.

(Evaluation: Immediate source: B; ultimate sources: 6;  
Content: 2)

G.L.T.

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3 February 1954

3. Identity 4 stated on 2 February 1954 that the recent charges of the government regarding an international conspiracy against Guatemala are generally viewed as a fabricated fantasy. Identity 4 expressed the belief that the government's charges and demands by some pro-government elements that the death penalty be prescribed for plotters is evidence of the fear and hysteria that permeate the present regime and its allies.

Comment: It is noted that Identity 4's contacts are lower middle class persons and that the reactions reported by him agree with those attributed in previous reports to upper middle and upper classes.

Evaluation: Immediate source: C; ultimate sources: 6; Content: 2).

G.L.T.

4. Identity 5 advised that he had been receiving reports from several sources, particularly employees of his company and one special source from whom he obtains information concerning activities within the CGTG, that elements of the CGTG are planning to attack PAA, the United Fruit Company, and the IRCA railroad by planting arms and ammunition and then searching on United Fruit Company property; employing a similar tactic with regard to PAA by having some prohibited shipment discovered in its offices, and planting arms and ammunition falsely documented on a railway shipment. The source advised that reports of this nature were rather persistent and he was inclined to give some credence thereto and stated that insofar as his own company was concerned, he had tipped off those employees he considered reliable to be on the alert for such a plant.

Evaluation: B-3

K.S.G.

2. 5. Identity 5 advised that Rafael HERRERA, prominent and wealthy Guatemalan landowner and businessman whose wife is Hilda de HERRERA, daughter of the now deceased Pedro COFIÑO, advised him on 3 February 1954 that Ricardo VASQUEZ had sworn up and down that his brother, Carlos VASQUEZ, had been with Major Alfonso MARTINEZ in Guatemala City the night before, 2 February, and that MARTINEZ is definitely in Guatemala.

Comment: Rafael HERRERA is definitely anti-Communist and his statement with regard to what had been told him by Ricardo VASQUEZ is probably true but Carlos VASQUEZ and another brother, Eddy VASQUEZ, are considered by this station to be of questionable reliability. They are known to be very friendly with former Foreign Minister Raul OSEGUEDA and to have attended at least one exclusive dinner in the Presidential Palace several months ago, at which dinner high political figures, including Victor Manuel GUTIERREZ and José Manuel FORTUNY, were present. Attendance at this dinner was personally revealed to the Chief of Station by Eddy VASQUEZ, although it was known prior to that time that he

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had been in attendance. Identity 6 advised a number of months ago that she had heard several years ago that Eddy VASQUEZ had been an "ear" (informant) for the government and as a result a military officer was compromised and expelled from the country. Eddy VASQUEZ frequently attends private parties of government officials and more frequently, parties given by the American colony and opposition elements. It has been confirmed by several sources that his sister-in-law, Gloria SANSAGHERO, is the present mistress of Col. Carlos PAZ Tejada, pro-Communist Army officer, and former mistress of Raul OSEGUEDA. She is said to have previously had an unfortunate marriage.

The allegation that MARTINEZ is in Guatemala is considered a rumor and possibly inspired.

K.S.G.

6. Identity 5 also advised that a source used by him who has contacts within the CGTG has advised that Communist elements in the CGTG are looking for any opportunity to embarrass Ambassador PEURIFOY and force him out of the country. Source did not mention any specific tactic which they contemplate employing, but stated that they wanted to "get something on him" which would make an example of him as they did with a former Ambassador Mr. PATTERSON.

Evaluation: B-2

K.S.G.

4 February 1954

7. Identity 5 advised on 4 February that he had received a report from the informant who furnishes him with information concerning activities within the CGTG to the effect that on the night of 3 February, from 8 p.m. until 12:30 a.m., a meeting of the Executive Committee of the CGTG was held at CGTG offices at 9a Calle and 11 Avenida in which Victor Manuel GUTIERREZ, Carlos Manuel PELLECEER, Max SALAZAR, Alfredo GUERRA Borges and Leonardo CASTILLO Flores, among others, participated. The informant reported to Identity 5 that there were a number of decisions made and several points taken up but that the following were the most important:

- 1) It was agreed to take all measures immediately for the organization of a large demonstration, to take place on Friday, 5 February at 4 p.m., in support of Colonel ARBENZ. It is to proceed through the principal streets of the city and terminate with a meeting in front of the National Palace. It was agreed that PELLECEER, GUTIERREZ and CASTILLO Flores would develop the foreign intervention theme, that the participants would sing the national anthem and carry flags in their hands in order to make the group appear as imposing as possible since it is known that Ambassador PEURIFOY will return on that day and it is important that he observe the support which the workers in general are ready to afford the government.
- 2) It was agreed to send a communication to the Minister of Government to the effect that he take energetic measures against the independent newspapers which are cooperating with feudal elements, the reaction and the Yankee imperialists

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since these newspaper say that they are enemies of the revolution and, as a consequence, are subversive and must be energetically repressed.

- 3) It was agreed to propose to the government, sending a copy to both ARBENZ and Foreign Minister TORIELLO, that to maintain tranquillity and to carry out the economic and social evolution of the nation it is necessary to force the abandonment of the country by the foreigners BUMP (A.L. Bump, manager of the United Fruit Company in Guatemala, BRADSHAW (president of the IRCA) and WILSON (PAA manager in Guatemala) for they are the leaders of the yankee imperialist companies which for some time have been trying, in conjunction with the reaction, to overthrow the government of ARBENZ; that for them (the Communist leaders) there would be no lack of justification for such action against these imperialists. According to the informant, copies of the communication were to be sent to ARBENZ and TORIELLO on the morning of 4 February.

Source stated that his informant had advised that in addition to BUMP, BRADSHAW and WILSON, several other names which were unfamiliar and which he could not recall were mentioned. However, one of them was thought to be a man who has offices on 7th Avenue South between 9th and 10th Streets and who, according to information he has received among CGTG elements, is the principal intelligence agent, or at least the intermediary between the U.S. Embassy and opposition elements.

Comment: The identity of any person having contact with the Embassy or engaged in intelligence activities who has offices in the indicated block has not been established. The information from the informant in that respect is believed to be inaccurate.

Evaluation: All information received from Identity 5 as related to this paragraph, except as previously noted in comment, is: Original source: F; Immediate source: B; Content:

K.S.G.

5 February 1954

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8. On the night of 4 February 1954, Identity 7 said he had learned from individuals within Communist circles in Guatemala that an unknown quantity of arms and ammunition currently is being retained for the Guatemalan government by the Russian Embassy in Mexico City. The source was unable to state whether the arms are actually stored within the premises of the Russian Embassy. The same source stated the arms are of Czechoslovakian make and only recently arrived in Mexico City. The Guatemalan government currently is attempting to devise a secure method of bringing the arms from Mexico City to Guatemala City without such a shipment becoming public knowledge.

Evaluation: F-3

C.E.B.

9. The same identity (Identity 7) who furnished the foregoing information claims he has learned from friends within the Guatemalan government that Major Alfonso MARTINEZ Estevez paid for the shipment of arms immediately upon his arrival in Europe. MARTINEZ allegedly paid for the shipment, which had already arrived in Mexico, with U.S. currency which he carried with him for that purpose. MARTINEZ is expected to return to Guatemala City in the near future after which, according to source's informants, he will quietly travel to Mexico City for the purpose of attempting to arrange for the transshipping of the arms to Guatemala City by truck.

Evaluation: F-3

C.E.B.

8 February 1954

10. Identity 8 advised that the photostatic copies of documents reportedly exchanged between General Miguel YDIGORAS Fuentes and Carlos CASTILLO Armas were sold to the Guatemalan government for \$50,000 by an unidentified individual who was only described as being an individual in the confidence of Nicaraguan President SOMOZA and the latter's son. The Guatemalan government allegedly paid the unidentified individual the \$50,000 and in addition, offered that person a Guatemalan passport and permanent residence in Guatemala if he so desired. Both the passport and offer of residence were refused by the individual concerned.

Evaluation: B-3

C.E.B.

11. Identity 8 advised he has learned that immediately following the Guatemalan government press release concerning the "plot against the government" the Guatemalan government leaders and Communist leaders in Guatemala were elated at the news. As late as 4 February 1954 Communist leaders were still rejoicing as they felt such evidence placed before the Caracas conference would to Guatemala much good and would call attention of the other American Republics to the so-called intervention of other countries in Guatemalan affairs.

Evaluation: B-3

C.E.B.

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9 February 1954

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12. Identity No. 9 advised on the morning of 9 February 1954 that, according to a very reliable source of information, 4 homes in the city of Tiquisate, Guatemala will be searched by the Guardia Judicial within the next three days. One of the homes to be searched is that of Identity 9. Another home is that of Mr. Aaron KING, an official of the United Fruit Company. The two other homes to be searched belong to individuals connected with the United Fruit Company.

Identity 9 was told by his source that the Guatemalan authorities will be searching for arms and the identity has been warned to make sure that no arms are planted by the police during their search which might be conveniently found during a second search of the premises. According to the source, the Guatemalan authorities definitely are trying to prove that United Fruit Company officials are storing arms in their private residences.

Evaluation: B-3

C.E.B.

13. On 9 February 1954, Identity 9 stated he had been told by one of his key labor leaders that the leader had been offered \$10,000 cash by the Guardia Judicial in Guatemala if he would assist them in helping to "uncover" the arms and ammunition allegedly in the possession of the United Fruit Company. The identity was told by his source that the Guardia Judicial was not particularly interested in whether or not such a deposit actually existed. They are simply interested in obtaining "evidence" that the United Fruit Company has arms. Once the arms are "uncovered" the Guatemalan government will announce its discovery through press and radio channels.

Evaluation: B-3

C.E.B.

14. Identity 10 advised on 9 February 1954 that he had gotten a definite impression that something most unusual is happening to the morale of people in the government. He said that on 8 February he visited the offices of the IGSS for the purpose of paying an account connected with his finca and covering a period of the past three months. He said that being three months behind in his payments, he was actually subject to a fine but he was received most cordially by a number of employees there with whom he had contact and discussed his case; that there was no indication that anyone had the slightest intention of imposing the fine and that they made every effort to give him the most prompt and courteous service. He also said that one of his employees who frequently visits the National Palace in connection with his company's business and who has many times complained of his inability to get things done and get service from the offices which he contacts had advised him that during the past week he has made several visits to the National Palace and has been overwhelmed with courteous treatment; that he has received prompt service and that he has detected an air of

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friendship which he has not seen in a long period of time. Identity 10 stated that these two observances, one by himself and another by his employee, tend to give him a definite feeling that people in government offices are so afraid that the government will fall that they are now trying to make amends to those in whom they ordinarily have no interest in talking. He said that he considered it a sign of weakness and opportunism on the part of government employees.

Evaluation: B-2

K.S.G.

15. Identity 10 also advised on 9 February 1954 that he had it on good authority that about 7 February 1954 a PAA plane which landed in Guatemala was searched by two officers of the Guardia Judicial -- purpose unknown; that these officers contacted the Captain of the Port, Colonel MENDIZABAL, who is considered friendly to PAA, and had him accompany them on the plane while they made the search; that they looked back of curtains, in the cockpit, underneath the seats and made a general examination but that it was not apparent as to the exact object of their search.

Identity 10 advised that on or about 6 February four or five U.S. Marines in civilian clothes destined to the Embassy (which have, incidentally, been assigned on a temporary basis to guard the Embassy) arrived on a PAA plane and as is customary, the Guardia Judicial agents at the airport immediately acquired a passenger list and upon determining that the Marines had arrived, called someone in the National Palace. Identity 10 also advised that from observations by personnel of PAA with whom he has close contact, he had ascertained that the Guardia Judicial takes similar action to that as in the case of the Marines each time an American citizen with a special passport arrives or passes in transit through Guatemala. He said that employees of PAA had particularly noted that the Guardia Judicial is especially interested in American Army officers in transit.

Comment: The apparent unusual interest in the American Army officers in transit through Guatemala is indicative of the nervousness of the government and its efforts to be on the alert for any signs of American participation in any move against the present regime.

Evaluation: B-3

K.S.G.

16. Identity 11 advised on 8 February that he had that day received information from an American citizen contact of his who in turn has contacts in the INFOP that as a result of a conversation by this American citizen with Alonso CASTRO Conde, a high official of that government agency, he had ascertained that CASTRO Conde had almost been taken by mistake by the government to have been involved in the recent alleged "complot" against the government;

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that CASTRO Conde had been in contact with Gabriel FERNANDEZ, and Aero Club pilot, with reference to possible purchasing by INFOP of an airplane which would be used for traveling to various sections of the country by INFOP officials; that CASTRO Conde had been taking a few lessons from FERNANDEZ and that FERNANDEZ claimed to have the representation in Guatemala of some civilian type plane which the source thought was Beechcraft that CASTRO Conde had flown to various small airfields in Guatemala with FERNANDEZ who indicated a considerable knowledge of the fields, the approaches thereto, the danger factors to be considered in landing or taking off from these small fields and about the time that FERNANDEZ was arrested (subsequently expelled from Guatemala) he learned that members of the Guardia Judicial were looking for him. He therefore went to the office of Major Jaime ROSENBERG, Chief of the Guardia Judicial, who was extremely interested in his associations with FERNANDEZ and the airfields he had visited with FERNANDEZ, all of which he related in detail to ROSENBERG. The source claimed that CASTRO Conde had mentioned particularly the fields on the Pacific coast slopes of Guatemala.

Evaluation: C-3

K.S.G.

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